1999

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (D) OF
THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal quarter ended June 26, 1999   Commission file number 1-6770

MUELLER INDUSTRIES, INC.
(Exact name of registrant as specified in its charter)

Delaware	25-0790410
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

8285 TOURNAMENT DRIVE, SUITE 150
MEMPHIS, TENNESSEE 38125
(Address of principal executive offices)

Registrant's telephone number, including area code: (901) 753-3200
Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, $ 0.01 Par Value	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by a check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes /X/ No / /

The number of shares of the Registrant's common stock outstanding as of July 22, 1999, was 35,832,476.

MUELLER INDUSTRIES, INC.

FORM 10-Q

For the Period Ended June 26, 1999

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PART I. FINANCIAL INFORMATION
Item 1. Financial Statements
<TABLE>
MUELLER INDUSTRIES, INC.
CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)
(In thousands, except per share data)
<CAPTION>

	For the Quarter Ended	
	June 26, 1999	June 27, 1998
<S>	<C>	<C>
Net sales	$ 293,342	$ 225,867
Cost of goods sold	220,340	173,518
Gross profit	73,002	52,349
Depreciation and amortization	9,348	5,689
Selling, general, and administrative expense	25,888	18,412
Operating income	37,766	28,248
Interest expense	(3,147)	(1,191)
Environmental reserves	-	-
Other income, net	2,821	1,981
Income before income taxes	37,440	29,038
Current income tax expense	(9,562)	(7,709)
Deferred income tax expense	(2,433)	(1,619)
Total income tax expense	(11,995)	(9,328)
Net income	$ 25,445	$ 19,710
Weighted average shares for basic earnings per share	35,799	35,225
Effect of dilutive stock options	4,025	4,487
Adjusted weighted average shares for diluted earnings per share	39,824	39,712
Basic earnings per share	$ 0.71	$ 0.56
Diluted earnings per share	$ 0.64	$ 0.50

<FN>
See accompanying notes to consolidated financial statements.
</TABLE>

<TABLE>
MUELLER INDUSTRIES, INC.
CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)
(In thousands, except per share data)
<CAPTION>

	For the Six Months Ended	
	June 26, 1999	June 27, 1998
<S>	<C>	<C>
Net sales	$ 581,182	$ 452,519
Cost of goods sold	442,080	348,975
Gross profit	139,102	103,544
Depreciation and amortization	18,338	11,273
Selling, general, and administrative expense	51,067	36,254
Operating income	69,697	56,017
Interest expense	(6,008)	(2,543)
Environmental reserves	-	(600)
Other income, net	4,950	4,704
Income before income taxes	68,639	57,578
Current income tax expense	(14,585)	(16,242)
Deferred income tax expense	(6,926)	(2,361)
Total income tax expense	(21,511)	(18,603)
Net income	$ 47,128	$ 38,975
Weighted average shares for basic earnings per share	35,816	35,163
Effect of dilutive stock options	3,903	4,466
Adjusted weighted average shares for diluted earnings per share	39,719	39,629
Basic earnings per share	$ 1.32	$ 1.11
Diluted earnings per share	$ 1.19	$ 0.98

<FN>
See accompanying notes to consolidated financial statements.
</TABLE>

<TABLE>
MUELLER INDUSTRIES, INC.
CONSOLIDATED BALANCE SHEETS
(Unaudited)
(In thousands)
<CAPTION>

	June 26, 1999	December 26, 1998
<S>	<C>	<C>
Assets		
Current assets:		
Cash and cash equivalents	$ 131,716	$ 80,568
Accounts receivable, less allowance for doubtful accounts of $5,009 in 1999 and $4,929 in 1998	172,902	155,601
Inventories:		

Raw material and supplies	23,862	26,544
Work-in-process	15,003	18,196
Finished goods	78,348	89,672
Gold	-	320
Total inventories	117,213	134,732
Current deferred income taxes	6,480	5,140
Other current assets	4,713	6,283
Total current assets	433,024	382,324
Property, plant and equipment, net	378,144	379,082
Goodwill, net	74,465	75,988
Other assets	31,705	37,300
	$ 917,338	$ 874,694

<FN>
See accompanying notes to consolidated financial statements.
</TABLE>

<TABLE>
MUELLER INDUSTRIES, INC.
CONSOLIDATED BALANCE SHEETS
(Unaudited)
(In thousands, except share data)
<CAPTION>

<S>	June 26, 1999 <C>	December 26, 1998 <C>
Liabilities and Stockholders' Equity		
Current liabilities:		
Current portion of long-term debt	$ 30,521	$ 19,980
Accounts payable	52,052	46,641
Accrued wages and other employee costs	27,978	26,636
Other current liabilities	54,559	49,317
Total current liabilities	165,110	142,574
Long-term debt	146,374	174,569
Pension and postretirement liabilities	11,846	12,584
Environmental reserves	14,656	16,321
Deferred income taxes	20,099	10,490
Other noncurrent liabilities	13,978	15,680
Total liabilities	372,063	372,218
Minority interest in subsidiaries	354	354
Stockholders' equity:		
Preferred stock - shares authorized 4,985,000; none outstanding	-	-
Series A junior participating preferred stock - $1.00 par value; shares authorized 15,000; none outstanding	-	-
Common stock - $.01 par value; shares authorized 100,000,000; issued 40,091,502; outstanding 35,806,796 in 1999 and 35,807,596 in 1998	401	401
Additional paid-in capital, common	258,423	258,171
Retained earnings (Since January 1, 1991)	320,326	273,198
Cumulative translation adjustment	(6,910)	(3,317)
Treasury common stock, at cost	(27,319)	(26,331)

Total stockholders' equity	544,921	502,122
Commitments and contingencies (Note 2)	-	-
	$ 917,338	$ 874,694

<FN>
See accompanying notes to consolidated financial statements.
</TABLE>

<TABLE>
MUELLER INDUSTRIES, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(In thousands)
<CAPTION>

<S>	For the Six Months Ended June 26, 1999 <C>	June 27, 1998 <C>
Cash flows from operating activities		
Net income	$ 47,128	$ 38,975
Reconciliation of net income to net cash provided by operating activities:		
Depreciation and amortization	18,338	11,273
Minority interest in subsidiaries	-	(301)
Deferred income taxes	6,926	2,361
Gain on disposal of properties	(1,535)	(1,517)
Changes in assets and liabilities:		
Receivables	(19,688)	(7,772)
Inventories	16,374	(650)
Other assets	623	(4,463)
Current liabilities	13,321	3,115
Other liabilities	(1,895)	310
Other, net	179	(75)
Net cash provided by operating activities	79,771	41,256
Cash flows from investing activities		
Capital expenditures	(20,647)	(23,812)
Proceeds from sales of properties	3,934	1,619
Escrowed IRB proceeds	6,024	6,082
Note receivable	-	(4,484)
Net cash used in investing activities	(10,689)	(20,595)
Cash flows from financing activities		
Proceeds from issuance of long-term debt	5,000	-
Repayments of long-term debt	(11,618)	(8,894)
Repayments on line of credit, net	(10,975)	-
Acquisition of treasury stock	(1,339)	-
Proceeds from stock options exercised including related tax benefits	603	6,357
Net cash used in financing activities	(18,329)	(2,537)
Effect of exchange rate changes on cash	395	(188)
Increase in cash and cash equivalents	51,148	17,936
Cash and cash equivalents at the beginning of the period	80,568	69,978
Cash and cash equivalents at the end of the period	$ 131,716	$ 87,914

<FN>
See accompanying notes to consolidated financial statements.
</TABLE>

MUELLER INDUSTRIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

General

Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted. Results of operations for the interim periods presented are not necessarily indicative of results which may be expected for any other interim period or for the year as a whole. This quarterly report on Form 10-Q should be read in conjunction with the Company's Annual Report on Form 10-K, including the annual financial statements incorporated therein by reference.

The accompanying unaudited interim financial statements include all adjustments which are, in the opinion of management, necessary to a fair statement of the results for the interim periods presented.

Note 1 - Earnings Per Common Share

Basic per share amounts have been computed based on the average number of common shares outstanding. Diluted per share amounts reflect the increase in average common shares outstanding that would result from the assumed exercise of outstanding stock options, computed using the treasury stock method.

Note 2 - Commitments and Contingencies

The Company is subject to normal environmental standards imposed by federal, state, local, and foreign environmental laws and regulations. Based upon information currently available, management believes that the outcome of pending environmental matters will not materially affect the overall financial position and results of operations of the Company.

In addition, the Company is involved in certain litigation as either plaintiff or defendant as a result of claims that arise in the ordinary course of business which management believes will not have a material effect on the Company's financial condition.

Note 3 - Comprehensive Income

Comprehensive income for the Company consists of net income and foreign currency translation adjustments. Total comprehensive income was $24,362,000 and $18,963,000 for the quarters ending June 26, 1999, and June 27, 1998, respectively and was $43,535,000 and $37,618,000 for the six-month periods ending June 26, 1999, and June 27, 1998, respectively.

Note 4 - Industry Segments

Summarized segment information is as follows:
(In thousands)
[CAPTION]

[S]	For the Quarter Ended June 26, 1999 [C]	June 27, 1998 [C]
Net sales:		
Standard Products Division	$ 214,373	$ 149,980
Industrial Products Division	74,921	70,600
Other Businesses	5,125	5,375
Elimination of intersegment sales	(1,077)	(88)
	$ 293,342	$ 225,867
Operating income:		
Standard Products Division	$ 32,072	$ 24,244
Industrial Products Division	6,659	8,405
Other Businesses	921	252
Unallocated expenses	(1,886)	(4,653)
	$ 37,766	$ 28,248

[CAPTION]

[S]	For the Six Months Ended June 26, 1999 [C]	June 27, 1998 [C]
Net sales:		
Standard Products Division	$ 420,931	$ 294,828
Industrial Products Division	150,788	146,269
Other Businesses	10,563	11,597
Elimination of intersegment sales	(1,100)	(175)
	$ 581,182	$ 452,519

Operating income:		
Standard Products Division	$ 59,758	$ 47,402
Industrial Products Division	15,895	16,460
Other Businesses	1,485	2,109
Unallocated expenses	(7,441)	(9,954)
	$ 69,697	$ 56,017

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

General Overview

Mueller Industries, Inc. is a leading manufacturer of copper tube and fittings; brass and copper alloy rod, bar and shapes; aluminum and brass forgings; aluminum and copper impact extrusions; plastic fittings and valves; refrigeration valves and fittings; and fabricated tubular products. Mueller's plants are located throughout the United States and in Canada, France, and Great Britain. The Company also owns a short line railroad in Utah and natural resource properties in the Western U.S.

The Company's businesses are managed and organized into three segments: (i) Standard Products Division (SPD); (ii) Industrial Products Division (IPD); and (iii) Other Businesses. SPD manufactures and sells copper tube, and copper and plastic fittings and valves. Outside of the United States, SPD manufactures copper tube in Europe and copper fittings in Canada. SPD sells these products to wholesalers in the HVAC (heating, ventilation and air-conditioning), plumbing and refrigeration markets, and to distributors to the manufactured housing and recreational vehicle industries. IPD manufactures and sells brass and copper alloy rod, bar and shapes; aluminum and brass forgings; aluminum and copper impact extrusions; refrigeration valves and fittings; fabricated tubular products; and gas valves and assemblies. IPD sells its products primarily to original equipment manufacturers (OEMs), many of which are in the HVAC, plumbing, and refrigeration markets. Other Businesses include Utah Railway Company and other natural resource properties and interests. SPD and IPD account for more than 98 percent of consolidated net sales and more than 86 percent of consolidated total assets.

During 1998, the Company completed three acquisitions: (i) Halstead Industries, Inc. (now called Mueller Copper Tube Products, Inc.) operates a copper tube mill in Wynne, Arkansas and a line sets factory in Clinton, Tennessee; (ii) B&K Industries, Inc., based in Elk Grove Village, Illinois, is a significant import distributor of residential and commercial plumbing products in the United States that sells through all major distribution channels including hardware co-ops, home centers, plumbing wholesalers, hardware wholesalers, OEMs and manufactured housing wholesalers; and (iii) Lincoln Brass Works, Inc. produces custom valve assemblies, custom metal assemblies, gas delivery systems and tubular products, primarily for the gas appliance market, at two manufacturing facilities in Tennessee.

New housing starts and commercial construction are important determinants of the Company's sales to the HVAC, refrigeration and plumbing markets because the principal end use of a significant portion of the Company's products is in the construction of single and multi-family housing and commercial buildings.

Profitability of certain of the Company's product lines depends upon the "spreads" between the cost of raw material and the selling prices of its completed products. The open market prices for copper cathode and scrap, for example, influence the selling price of copper tubing, a principal product manufactured by the Company. The Company attempts to minimize the effects of fluctuations in material costs by passing through these costs to its customers. "Spreads" fluctuate based upon competitive market conditions.

Results of Operations

Net income was $25.4 million, or 64 cents per diluted share, for the second quarter of 1999, which compares with net income of $19.7 million, or

50 cents per diluted share, for the same period of 1998. Year-to-date, net income was $47.1 million, or $1.19 per diluted share, which compares to net income of $39.0 million, or 98 cents per diluted share, for 1998.

During the second quarter of 1999, the Company's net sales were $293.3 million, which compares to net sales of $225.9 million, or a 30 percent increase over the same period of 1998. Net sales were $581.2 million in the first half of 1999 compared to $452.5 million in 1998. During the second quarter of 1999, the Company's manufacturing businesses shipped 211.1 million pounds of product compared to 159.2 million pounds in the same quarter of 1998. The Company's manufacturing businesses shipped 419.0 million pounds of product in the first half of 1999, or 32.9 percent more than the same period of 1998. Pounds shipped grew by a larger percent than net sales because the average price of copper was lower in 1999 than in 1998. This increase in net sales and shipments includes volume from businesses acquired in the second half of 1998. Second quarter and first half operating income increased primarily due to: (i) higher sales volumes particularly at copper tube and line sets; (ii) spread improvements at copper tube; and (iii) earnings at our acquired businesses. Increased operating income was partially offset by losses at our European operations. Selling, general, and administrative expense as well as depreciation and amortization increased primarily due to acquired businesses.

Interest expense for the second quarter of 1999 totaled $3.1 million compared to $1.2 million in the same quarter of 1998. For the first six months of 1999, interest expense was $6.0 million compared to $2.5 million for the same period of 1998. The Company capitalized $0.4 million of interest related to capital improvement programs in the first half of 1999 compared to $0.3 million in the first half of 1998. Total interest in the first half of 1999 increased due to the increase in long-term debt following the issuance of the $125 million term note, partially offset by scheduled repayments in other long-term debt.

The Company continues to achieve its long-term objective of divesting certain natural resource properties and businesses. During April 1999, the Company sold 100 percent of its interests in Alaska Gold Company.

As a consequence of this sale transaction, the Company believes it has realized for federal tax purposes an ordinary loss of approximately $70 million which will reduce taxable income in 1999. Recognition of this tax attribute, previously recognized as a deferred tax asset less an appropriate valuation allowance, reduced the Company's effective tax rate to approximately 31.3 percent in 1999. The Company computed its income tax provision for the first half of 1999 using this effective income tax rate. This effective rate also reflects the benefit of a lower federal provision relating to the recognition of net operating loss carryforwards, and a lower state provision associated with incentive IRB financings.

Liquidity and Capital Resources

Cash provided by operating activities during the first half of 1999 totaled $79.8 million which is primarily attributable to net income. During the first half of 1999, the Company used $10.7 million in investing activities, consisting primarily of $20.6 million in capital expenditures offset by $6.0 million proceeds from escrowed IRB funds and $3.9 million of proceeds from sales of properties. Cash used in investing activities was funded with existing cash balances, cash from operations, plus escrowed IRB proceeds.

During the first half of 1999, the Company used $18.3 million in financing activities primarily for scheduled payments on long-term debt and repayment on a line-of-credit. In addition, in April, the Company purchased 60,000 shares of its common stock from its Chief Executive Officer. Proceeds from this transaction were used by the CEO to pay taxes related to a 1998 exercise of non-qualified options on Company shares.

The Company has a $100.0 million unsecured line-of-credit agreement (the Credit Facility) which expires in May 2001, but which may be extended for successive one-year periods by agreement of the parties. Borrowings under the Credit Facility bear interest, at the Company's option, at (i) prime rate less .50 percent, (ii) LIBOR plus .27 percent subject to adjustment, or (iii) Federal Funds Rate plus .65 percent. There are no outstanding borrowings under the Credit Facility. At June 26, 1999, funds available under the Credit Facility was reduced by $4.9 million for outstanding letters of credit. At June 26, 1999, the Company's total debt was $176.9 million or 24.5 percent of its total capitalization.

The Company's financing obligations contain various covenants which require, among other things, the maintenance of minimum levels of working capital, tangible net worth, and debt service coverage ratios. The Company is in compliance with all debt covenants.

The Company has planned for approximately $50 million of capital additions and improvements in 1999. The largest proposed project is the modernization of our recently acquired copper tube mill in Wynne, Arkansas. This project, which would require expenditure of approximately $24 million over a two-year period, will improve yield, productivity, and throughput when completed.

The Company's $33.4 million copper casting facility in Fulton, Mississippi became operational during the first half of 1999. This facility allows the use of a lower-cost mix of copper scrap and cathode when market conditions warrant. Mueller also has programs underway to make near-term improvements at its European operations. Further, the Company is also considering various long-term capital investments for these businesses which will further improve their cost structure and productivity.

Management believes that cash provided by operations and currently available cash of $131.7 million will be adequate to meet the Company's normal future capital expenditure and operational needs. The Company's current ratio remains strong at 2.6 to 1.

Part II. Other Information

Item 4. Submission of Matters to a Vote of Security Holders

On May 6, 1999, the Company held its Annual Meeting of Stockholders at which two proposals were voted upon: (i) election of directors; and (ii) the approval of the appointment of auditors. The following persons were duly elected to serve, subject to the Company's Bylaws, as Directors of the Company until the next Annual Meeting, or until election and qualification of their successors:

	Votes in Favor	Votes Withheld
Robert B. Hodes	27,332,405	1,020,849
Harvey L. Karp	27,914,999	438,255
G. E. Manolovici	27,975,455	377,799
William D. O'Hagan	28,029,597	323,657
Robert J. Pasquarelli	28,070,613	282,641

The proposal to approve the appointment of Ernst & Young LLP as the Company's auditors was ratified by 28,225,753 votes in favor, 97,514 votes against, and 29,987 votes abstaining.

There were no broker non-votes pertaining to these proposals.

Item 5. Other Information

The following discussion updates the disclosure in Item 1, Business, in the Company's Annual Report on Form 10-K, for the year ended December 26, 1998.

Other Businesses

Operations of one of the Company's subsidiaries, Utah Railway Company, continue to be unfavorably affected by a 1998 fire at one of the coal mines it serves. Limited production has resumed at the mine; however, Mueller has filed a business interruption insurance claim for the loss of earnings due to the fire. At this time, the amount to be recovered from our insurer cannot be determined.

Labor Relations

On June 28, 1999, the Company renewed the union contract that covers employees at its Wynne, Arkansas, facility for a five-year period.

Year 2000 Program

The Company established a Year 2000 program to evaluate, confirm compliance and identify any necessary changes to its information technology (IT) and operating (non-IT) systems to address Year 2000 requirements. The Company retained a consulting firm specializing in this area to assist in the program. Their final project was completed at the end of the second quarter. To date, the Company has expensed approximately $850 thousand related to this outside consultant.

Mueller has completed its assessment and inventory of its IT systems. Based on this assessment, the Company has replaced certain hardware and modified its developed software code at a cost which is immaterial. Certain business systems of the Company's European businesses are not Year 2000 compliant, but this is being resolved within the context of an overall upgrade to these information systems during the third quarter of 1999.

The Company has completed its assessment and inventory of non-IT systems for all of its North American manufacturing facilities. A small number of non-IT systems were not Year 2000 compliant. The Company has, or plans to replace and/or correct and certify these systems as compliant during the third quarter at a cost that is not material. To the extent that Mueller does not identify all non-IT systems that are not Year 2000 compliant, production on individual pieces of equipment might be curtailed for a period of time. However, management believes that the risk that it would be unable to maintain customer services due to Year 2000 equipment failures is low.

The Company is in the process of determining its critical product and service supplier Year 2000 readiness. All critical North American suppliers have been surveyed with a current response rate of about 80 percent. Mueller's European operations are just beginning this process, but we are on plan to be completed in the fourth quarter. The Company will continue to follow up with non-responses and all inquiries to ensure, to the best of its ability, that these suppliers will be Year 2000 compliant. Nonetheless, there can be no assurance that the systems used by these suppliers will be remediated in a timely manner, which, if not remediated, may have an adverse effect on Mueller.

Mueller is currently working on the development of Year 2000 contingency plans. As Year 2000 efforts have progressed, areas of potential operational risk have been identified for contingency plan development. These contingency efforts focus on both pro-active and reactive tasks including manual procedures, reports and documentation, critical materials inventories and triage planning.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

19.1 Mueller Industries, Inc.'s Quarterly Report to Stockholders for the quarter ended June 26, 1999. Such report is being furnished for the information of the Securities and Exchange Commission only and is not to be deemed filed as part of this Quarterly Report on Form 10-Q.

(b) During the quarter ended June 26, 1999, the Registrant filed no Current Reports on Form 8-K.

Items 1, 2, and 3 are not applicable and have been omitted.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on August 9, 1999.

MUELLER INDUSTRIES, INC.

/s/ Kent A. McKee
Kent A. McKee
Vice President and Chief Financial Officer

/s/ Richard W. Corman
Richard W. Corman
Corporate Controller

EXHIBIT INDEX

Exhibits	Description	Page
19.1	Mueller Industries, Inc.'s Quarterly Report to Stockholders for the quarter ended June 26, 1999. Such report is being furnished for the information of the Securities and Exchange Commission only and is not to be deemed filed as a part of this Quarterly Report on Form 10-Q.	
27.1	Financial Data Schedule (EDGAR filing only)	

TO OUR STOCKHOLDERS, CUSTOMERS AND EMPLOYEES

The second quarter of 1999 was, by far, the best quarter in Mueller's history. Product shipments, sales, net income and earnings per share all increased by more than 25 percent versus the same quarter of 1998. Net income was $25.4 million, or 64 cents per share, compared to $19.7 million or 50 cents per share in the same quarter last year.

Sales for the second quarter were $293.3 million, a 30 percent increase over sales of $225.9 million for the same quarter of 1998. Product shipments of 211.1 million pounds (including volume from businesses acquired in 1998) grew 33 percent over the like period last year.

Net income for the first half of 1999 was $47.1 million, an increase of 21 percent over the first half of 1998. Product shipments in the first half of 1999 grew to 419.0 million pounds, compared to 315.3 million pounds in the first half of 1998. Net sales and operating income showed similar improvements.

These outstanding results are the consequence of an excellent economic environment, the major operational improvements that Mueller has implemented in its product lines, and of the Company's recent strategic acquisitions.

Housing starts for the first five months of 1999 were 9.3 percent ahead of 1998's pace, even though 30-year mortgage rates are currently more than 100 basis points higher than last year's low. Measures of housing affordability remain strong. Consumer confidence is at a high level. Inflation and unemployment are modest, and the index of leading indicators remains near its high for the decade. Demographics also favor continuing strength in the U.S. housing market due to increasingly affluent baby boomers, rising homeownership rates, and strong household formations. Overall, these are positive factors for the housing industry and for our business.

Mueller is continuing to invest in major capital improvements. In May, our Board of Directors approved a $24 million dollar program to upgrade our recently-acquired copper tube mill in Wynne, Arkansas. This investment has the objective of transforming Wynne into a world-class facility, substantially reducing its production costs. Major new extruding and drawing equipment will be installed over the next 18 months. We are also continuing to invest in our copper and plastic fittings plants, and in the brass rod mill. These investments should continue to improve manufacturing flexibility and ratchet down costs.

We are continuing to make operational improvements in our European tube businesses, with the goal of reducing manufacturing and distribution costs. Despite these operational improvements, our European businesses incurred losses in the second quarter due to competitive pricing, particularly in the United Kingdom. Nonetheless, we believe the opportunities in Europe will become increasingly attractive due to the likelihood of consolidation in the copper fabrication industry.

The Company continues to achieve its long-term plan of divesting certain natural resource properties and businesses. On April 26, 1999, the Company sold its interests in Alaska Gold Company, realizing a modest gain in the second quarter. Moreover, the Company will realize an ordinary federal income tax deduction reducing our current tax obligation by approximately $25 million.

Our Annual Stockholders' meeting was held at Mueller's new corporate headquarters in Memphis on May 6, 1999. The stockholders reelected all Board members and approved the reappointment of our independent auditors.

Sincerely,

/S/HARVEY L. KARP
Harvey L. Karp
Chairman of the Board

/S/WILLIAM D. O'HAGAN
William D. O'Hagan
President and Chief Executive Officer

July 13, 1999

Historical Analysis (1994-1999) of Quarterly
Earnings Before Tax and Earnings Per Share

Mueller's earnings have grown substantially over the past five years. In the second quarter of 1999, our Company earned $37.4 million before tax, compared with $9.1 million for the same quarter of 1994, an increase of 311 percent. Diluted earnings per share have risen 357 percent, from $0.14 to $0.64.

[GRAPH]

Second Quarter Diluted Earnings Per Share

1994	$0.14
1995	0.28
1996	0.36
1997	0.42
1998	0.50
1999	0.64

<TABLE>
Earnings Before Tax (millions)
<CAPTION>

	Quarter				Total
	1st	2nd	3rd	4th	Year
<S>	<C>	<C>	<C>	<C>	<C>
1994	$ 6.7	$ 9.1	$ 12.0	$ 13.0	$ 40.8
1995	14.7	15.6	17.0	17.2	64.5
1996	19.3	20.1	23.4	25.6	88.4
1997	23.1	23.6	25.8	28.3	100.8
1998	28.5	29.0	26.1	25.7	109.3
1999	31.2	37.4			

</TABLE>

<TABLE>
Diluted Earnings Per Share
<CAPTION>

	Quarter				Total
	1st	2nd	3rd	4th	Year
<S>	<C>	<C>	<C>	<C>	<C>
1994	$ 0.10	$ 0.14	$ 0.22	$ 0.25	$ 0.71
1995	0.27	0.28	0.30	0.32	1.17
1996	0.34	0.36	0.41	0.46	1.57
1997	0.40	0.42	0.46	0.50	1.78
1998	0.49	0.50	0.47	0.45	1.90
1999	0.55	0.64			

</TABLE>

<TABLE>
MUELLER INDUSTRIES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)
(In thousands, except per share data)
<CAPTION>

	For the Quarter Ended	
	June 26,1999	June 27,1998
<S>	<C>	<C>
Net sales	$ 293,342	$ 225,867
Cost of goods sold	220,340	173,518
Depreciation and amortization	9,348	5,689
Selling, general, and administrative expense	25,888	18,412
Operating income	37,766	28,248
Interest expense	(3,147)	(1,191)
Environmental reserves	-	-
Other income, net	2,821	1,981
Income before taxes	37,440	29,038
Income tax expense	(11,995)	(9,328)
Net income	$ 25,445	$ 19,710
Earnings per share:		
Basic:		
Weighted average shares outstanding	35,799	35,225
Basic earnings per share	$ 0.71	$ 0.56
Diluted:		
Weighted average shares outstanding plus assumed conversions	39,824	39,712
Diluted earnings per share	$ 0.64	$ 0.50

</TABLE>

<TABLE>
MUELLER INDUSTRIES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)
(In thousands, except per share data)
<CAPTION>

	For the Six Months Ended	
	June 26,1999	June 27,1998
<S>	<C>	<C>
Net sales	$ 581,182	$ 452,519
Cost of goods sold	442,080	348,975
Depreciation and amortization	18,338	11,273
Selling, general, and administrative expense	51,067	36,254
Operating income	69,697	56,017
Interest expense	(6,008)	(2,543)
Environmental reserves	-	(600)
Other income, net	4,950	4,704

Income before taxes	68,639	57,578
Income tax expense	(21,511)	(18,603)
Net income	$ 47,128	$ 38,975
Earnings per share:		
Basic:		
Weighted average shares outstanding	35,816	35,163
Basic earnings per share	$ 1.32	$ 1.11
Diluted:		
Weighted average shares outstanding plus assumed conversions	39,719	39,629
Diluted earnings per share	$ 1.19	$ 0.98

</TABLE>

<TABLE>
MUELLER INDUSTRIES, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)
(In thousands)
<CAPTION>

<S>	June 26,1999 <C>	December 26, 1998 <C>
ASSETS		
Cash and cash equivalents	$ 131,716	$ 80,568
Accounts receivable, net	172,902	155,601
Inventories	117,213	134,732
Other current assets	11,193	11,423
Total current assets	433,024	382,324
Property, plant and equipment, net	378,144	379,082
Other assets	106,170	113,288
	$ 917,338	$ 874,694
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current portion of long-term debt	$ 30,521	$ 19,980
Accounts payable	52,052	46,641
Other current liabilities	82,537	75,953
Total current liabilities	165,110	142,574
Long-term debt	146,374	174,569
Other noncurrent liabilities	60,579	55,075
Total liabilities	372,063	372,218
Minority interest in subsidiaries	354	354
Stockholders' equity	544,921	502,122
	$ 917,338	$ 874,694

</TABLE>

<TABLE> <S> <C>

<ARTICLE> 5
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THE SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE
COMPANY'S FORM 10-Q FOR THE FISCAL QUARTER ENDED JUNE 26, 1999 AND IS
QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS
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<MULTIPLIER> 1,000

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